

City Light Issue Paper (CLIP) Surplus Property Disposition Pilot Project Recommendations & Implementing Legislation

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Supersedes	N/A		
Key Contacts			
	Name(s)	Phone	Short Title
	Jim Baggs	684-3260	Power Supply & Env Affairs Officer
	Lynn Best	386-4586	Env Affairs & Real Estate Director
	Dave Barber	684-0400	Real Estate Manager
Council Action Required?	Y	If YES, within the next 3 months?	Y
Public Hearing Required?	Y		
Presenters (if applicable)	Lynn Best and Dave Barber		

Summary Statement

This legislation will declare six former City Light substations as surplus to utility or other City needs, and authorize City Light to sell these properties by negotiated sale or an open and competitive process.

Background

Seattle City Light holds over 40 surplus properties as assets of the City Light Fund. The King County assessed value of all these surplus properties is in excess of \$40 million.

The City's existing surplus property disposition procedures were established by Resolution Nos. 29799 and 30862 and were designed to ensure adequate public notice and to maximize opportunities for public input on the disposition of surplus City properties.

Resolution 31317 sets out alternative disposition procedures that are intended to accomplish the internal circulation and community outreach procedures of the earlier process while being more efficient to implement and providing citizens and community groups with better information on disposition issues.

City Light has successfully completed the community outreach procedures required by Resolution 31317 including five meetings held in the neighborhoods (three informational meetings and two question and answer sessions held before the formal public hearings). City Light estimates that between 250 and 300 people attended these meetings.

City Light reports that what made these meetings most valuable was the discussion of not only the surplus properties themselves, but also of related issues such as statutory constraints, the

court case of *Okeson v. Seattle*, how the need is determined for a new City park, the 2000 and 2008 park levies, the City Light budget and rates, and other questions raised by the audience. City Light is very appreciative of the Parks Department for their participation in these meetings.

A large majority of the people attending these meetings were supportive of a sale of all the Pilot Project properties. City Light also received several expressions of appreciation for meeting and discussing the surplus properties with the affected community, and also for the conduct of the Disposition Pilot Project generally. A full report of the community outreach process, including outreach materials, written comments, and hearing transcripts is attached.

Based on this process, City Light recommends the sale of all the Pilot Project properties, by negotiated sale based on appraised value, or by broker sale in an open and competitive basis.

If these sales are authorized by the City Council, the Department of Finance and Administrative Services (FAS) would conduct this sale for City Light, using consultant broker services similar to the highly successful sales of surplus Fire Station Nos. 37 and 38.

Key Issues

The alternative community outreach procedures used for the City Light Surplus Property Disposition Pilot Project were established by Resolution No 31317, and replaced the procedures under Resolution Nos. 29799 and 30862.

Next Steps

If sales of the surplus Pilot Project properties are authorized by the City Council, City Light will work with FAS to initiate sales through a consultant real estate broker.

Resolution 31317 requires City Light and FAS to submit a second report to the City Council on the viability of the new procedures, together with a recommendation on whether or not these procedures should be used for the disposition of additional surplus City Light properties in the future. This report will be submitted in 2013, to include an evaluation of the sales process.